IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

WRS, INC. d/b/a WRS MOTION PICTURE LABORATORIES, a corporation, Plaintiff, vs. PLAZA ENTERTAINMENT, INC., a corporation, ERIC PARKINSON, an individual, CHARLES von BERNUTH, an individual and JOHN HERKLOTZ, an individual, Defendants	C.A. No. 00-2041

STIPULATION PURSUANT TO F.R.C.P. 62(d) FOR AN ORDER STAYING PROCEEDINGS TO ENFORCE JUDGMENT PENDING APPEAL

This Stipulation is made and executed by and between, Plaintiff, WRS, Inc., and Defendant, John Herklotz, by and through their respective counsel, Thomas E. Reilly and John P. Sieminski.

RECITALS

WHEREAS, by Order of February 20, 2007, the United States District Court for the Western District of Pennsylvania entered Judgment in the above matter in favor of WRS, Inc. and against Defendant, Herklotz, in the sum of $2,584,749.03; and,

WHEREAS, On February 8, 2008, this Court entered an Order certifying, nunc pro tunc, the finality of the judgment as to John C. Herklotz; and,

WHEREAS, Defendant, Herklotz, appealed the Judgment to the United States Court of Appeals for the Third Circuit where the appeal is pending at Case

No. 07-1712 which the parties anticipate will continue in light of the Court's Order of February 8, 2008; and

WHEREAS, Defendant, Herklotz, desires to have proceedings to enforce the aforesaid Judgment stayed pending the appeal; and

WHEREAS, Defendant, Herklotz, has proposed to Plaintiff, WRS, Inc., an arrangement involving certain property in which Herklotz has an interest to stand in place of a supersedeas bond, the filing of which would stay such proceedings pursuant to F.R.C.P. 62(d); and,

WHEREAS, Herklotz has represented that he cannot acquire a supersedeas bond; and ,

WHEREAS, WRS, Inc. is willing to consent to the arrangements proposed by Herklotz provided the same are set forth in a Stipulation and a Court Order.

AGREEMENT

NOW, in consideration of the foregoing, WRS, Inc. and John Herklotz hereby stipulate as follows:

1. John Herklotz hereby represents and warrants that he is the President, Treasurer and sole shareholder and director of the Tesuque Radio Company (hereinafter referred to as "the Company" or "TRC"), with the full power and authority to cause the Company's conveyance without restriction (but subject to the security interest referenced in the succeeding paragraph) of all of the right, title, and interest of the company in a certain communications site lease relative

to a portion of a certain site located in Santa Fe, New Mexico, known as the Tesuque Peak Low Power Electronic Site (hereinafter referred to as "TPLPES").

2. John Herklotz represents and warrants that TRC's interest in the TPLPES communications site lease is owned by the Tesuque Radio Company free and clear of all liens and encumbrances except that the Mr. Herklotz's stock certificates for thirty-six shares of TRC stock are being held as collateral for a loan made by Wells Fargo to the Company, having an outstanding principal balance in February of 2008 of approximately $90,000.

3. Contemporaneous with the signing of this Stipulation, John Herklotz shall deliver to counsel for Plaintiff the following:

A. A draft Listing Agreement demonstrating that Herklotz, acting for the Company, will list the TPLPES for sale in or about _______ of 2008 and identifying a broker.

B. A suitable instrument appointing First National Bank of Pennsylvania as escrow agent pursuant to this Stipulation with full power and authority to receive and hold $2,843,224.00 of the proceeds of the sale of TRC's interest in the TPLPES, subject to disposition pursuant to the terms of this Stipulation.

4. TRC by John C. Herklotz does by this stipulation grant bargain and transfer to WRS, Inc. a security interest in the assets of TRC, including specifically, Accounts; Chattel paper; Inventory; Equipment; Instruments including Promissory Notes; Investment Property; Documents; Deposit accounts; Letter of credit rights; General intangibles including payment intangibles; any license issued to TRC by the Federal Communications Commission, all Supporting obligations; and leases between TRC and its customers for use of the TPLPES, proceeds and products of the foregoing, including specifically without limitation, proceeds of any license issued to TRC by the Federal Communications Commission to secure the indebtedness of John C. Herklotz evidenced by the judgment and hereby authorizes WRS, Inc. to file the appropriate UCC Financing Statements to perfect the security interest.

5. The Parties further agree to the entry of an order by the Court

pursuant to the F.R.C.P. 64 pertaining to supplemental relief in aid of execution, enjoining, Wells Fargo Bank N.A from returning to John C. Herklotz, the 36 shares of Stock in TRC in the event the debt secured thereby is satisfied prior to the resolution of the appeal, and directing that in that event the shares of stock shall be delivered to counsel for John C. Herklotz to be held in escrow pending resolution of the appeal and distribution pursuant to this stipulation.

7. In addition to Herklotz's interest in the company, Herklotz represents and warrants that he has full right and power to distribute the film known as "The Giant of Thunder Mountain" and has expressed his intention to distribute that film in the near future.

8. In addition, Herklotz acknowledges and agrees that pursuant to the agreements between Plaza Entertainment, Inc. and WRS, of which John Herklotz has knowledge, WRS, Inc. maintains a perfected security interest in and to the net proceeds derived from the distribution of The Giant of Thunder Mountain to the extent of its claim against Plaza Entertainment, Inc., although, as part of this Agreement, WRS will terminate its security interest with respect to the Giant of Thunder Mountain in order to facilitate distribution of the film.

9. In the event that the distribution of the Giant of Thunder Mountain generates net proceeds during the pendency of the Herklotz appeal in the within matter, and if the balance in the escrow account is less than $2,843,224.00, Herklotz shall cause to be paid to First National Bank of Pennsylvania as escrow agent 20% of the amount of net proceeds to which Mr. Herklotz or his affiliates may be entitled

10. Upon conclusion of the appeal, in the event that the appeal is concluded in favor of WRS, Inc., the escrow agent shall, upon expiration of the applicable appeal period, draw a check on the deposit account created hereby in the full amount then due WRS, Inc. on the Judgment entered on February 20, 2007, plus accrued interest, and any additional counsel fees which may be awarded and all applicable docket and court costs that may be assessable against Herklotz.

11. In the event that the Order of Court is not affirmed on appeal, then the escrow agent shall, upon expiration of the applicable appeal period, draw a check on the deposit account created hereby to the order of John Herklotz for the full amount of the escrow account.

12. In the event that the Order of Court is partially affirmed and/or modified, the escrow agent shall, upon the expiration of the applicable appeal period, distribute the monies held in the escrow account in a manner consistent with any applicable order entered by the United States Court of Appeals for the Third Circuit or the United States District Court for the Western District of Pennsylvania.

13. Herklotz and WRS agree that the Stipulation and Order entered pursuant hereto will not in any way impact or otherwise restrict the right of WRS, Inc. to enforce the Judgments entered against the other Defendants in the within matter notwithstanding the pendency of the appeal.

14. Thomas E. Reilly, as counsel for WRS, Inc., shall cause the Stipulation to be filed with the Court for the entry of the appropriate Orders providing for the stay of enforcement proceedings to enforce the Judgment pursuant to F.R.C.P. 62(d).

IN WITNESS WHEREOF, WRS, Inc. and John Herklotz, by and through their respective counsel hereby execute the Stipulation on the date and year set forth by their signatures.

THOMAS E.REILLY PC

4-21-2008
Date

Thomas E. Reilly, counsel for WRS

Burns, White & Hickton, LLC

4-21-08
Date

Counsel for John Herklotz, Defendant

CERTIFICATE OF SERVICE

I, Thomas E. Reilly, Esquire, hereby certify that a true and correct copy of the Stipulation to F.R.C.P. 62(d) for an Order Staying Proceedings to Enforce Judgment Pending Appeal was delivered via first-class mail, postage pre-paid on the 21st day of April, 2008, to the following:

James R. Walker, Esquire
Manion McDonough & Lucas, P.C.
600 Grant Street, Suite 1414
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Eric Parkinson
1722 N. College Avenue
C-303
Fayetteville, AR 72703

THOMAS E. REILLY, P.C.

BY: ______________________
Thomas E. Reilly, Esquire